

**THE HON'BLE SRI JUSTICE SANJAY KUMAR
AND
THE HON'BLE DR. JUSTICE B.SIVA SANKARA RAO**

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WRIT PETITION No.17541 OF 2016

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ORDER

(per Hon'ble Sri Justice Sanjay Kumar)

The prayer of the petitioner company in this case is as under:

‘For the reasons stated in the accompanying affidavit, it is prayed that this Hon’ble Court may be pleased to issue a Writ, Order or Direction more particularly in the nature of Writ of Mandamus, declaring the action of the respondents 1 to 3 in issuing e-auction sale notice dated 27.05.2016 published in Eenadu Telugu Daily News Paper by conducting the auction dated 30.06.2016 in connection with the property of the petitioner covered bearing Door No. 1-43-192/2 in Sy No. 46,5,6 situated at Balajinagar, Bheemunipatnam mandal, Tagalapuvalasa Village, Visakhapatnam District is illegal and arbitrary and without following the procedure as contemplated under the SARFAESI Act including Section 14 of the Act and in violation of law and principles of natural justice and without following the procedure of law and consequently set aside the same e-auction notice dated 27.5.2016 ad to pass such other order or orders that the Hon'ble Court may deem fit and proper in the interest of justice.”

The affidavit filed in support of the writ petition does not indicate any grounds of challenge as regards the procedure followed by the respondent bank in respect of the proceedings initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

However, Sri R. Siva Sai Swaroop, learned counsel for the petitioner company, would contend that his client is anxious to clear its outstanding dues to the bank and that if given due opportunity in this regard, it would prove its bona fides.

In that view of the matter, as the proposed sale pursuant to the impugned e-auction sale notice dated 27.05.2016 is scheduled to be held on 30.06.2016, we permit the respondent bank to proceed with the said sale and receive 25% of the bid amount from the auction purchaser, if any. The petitioner company undertakes to deposit 50% of the entire outstandings due by 30.06.2016. In the

event the petitioner company does so, the respondent bank shall not confirm the auction sale, if any, till one week thereafter so as to enable the petitioner company to discharge its balance outstandings in their entirety. If the petitioner company fails to do so within one week i.e. on or before 07.07.2016, the respondent bank would be at liberty to confirm the sale and proceed with the matter in accordance with law.

The writ petition is accordingly disposed of with the above directions.

Pending miscellaneous petitions, if any, shall stand closed in the light of this final order. No order as to costs.

SANJAY KUMAR, J

DR. B.SIVA SANKARA RAO, J

27th JUNE, 2016

Note:-

Issue CC by tomorrow.

B/o

PGS